

Office of the State Court Administrator



Christopher T. Ryan
State Court Administrator

Mindy Masias
Chief of Staff

Terri Morrison
Judicial Legal Counsel

DIRECTORS

Steven Vasconcellos
Court Services

David Kribs, CFO
Financial Services

Eric D. Brown
Human Resources

Chad Cornelius, CIO
Information Technology Services

Glenn Tapia
Probation Services

August 22, 2018

Kerri Hunter
Deputy State Auditor
Office of the State Auditor
1525 Sherman Street, 7th Floor
Denver, CO 80203

Re: Disclosure of Employee Reimbursement Issue

We have information that leads us to believe that on July 15, 2018, Mindy Masias, the current Chief of Staff for the Colorado Judicial Department and an employee of the Colorado Judicial Department for more than 20 years, signed a personal reimbursement request form that included a receipt from Amazon.com Inc. that appears to have been altered. This was discovered on July 19, 2018 when Myra Dukes (Controller) retrieved the submitted reimbursement request from the accounting unit. David Kribs (CFO) and Marty Galvin (Sr. Finance Manager) brought this to my attention on July 19, 2018. Ms. Masias was subsequently provided numerous opportunities to explain the altered document, or to provide documentation showing that the Amazon receipt in question was in fact a valid receipt. Ms. Masias has not been able to do so. Rather, all additional information we have received has confirmed the altered nature of the receipt.

Management within the Office of the State Court Administrator has serious concerns with Ms. Masias' submission of what we believe to be an altered Amazon invoice because her conduct violates Colorado Judicial Department policy. Chief Justice Directive 04-02 states that all Judicial Department personnel shall comply with the fiscal policies and procedures established by the State Court Administrator. The Colorado Judicial Department Fiscal Rules and Procedures Chapter 1-2 states that funds shall not be disbursed without appropriate documentation and authorization of the goods purchased. Ms. Masias attempted to circumvent the policy and procedure control process by submitting altered documents for the reimbursement and has likely violated Colorado law.

The Judicial Department has developed and implemented an internal control framework that provides management of the organization with reasonable assurance that the financial records, transactions, and activity are accurate and in compliance with established general accounting principles. The organization depends on this framework to function as it is developed and intended. The control environment includes both hard controls (automated systems) and soft controls (policies and procedures).

When an employee attempts to circumvent the established framework, the integrity of the system must be maintained, and appropriate steps taken to discourage this conduct. On Friday, August 17th, I informed Ms. Masias that, due to concerns about the integrity of the Colorado Judicial Department's financial systems, the following actions will be taken:

1. The Office of the State Auditor will be notified as part of the disclosures related to the statewide audit currently being performed. In addition, the Office of the State Auditor will be informed of the actions that have been taken internally to address the concerns raised by the altered Amazon receipt.
2. The Department will no longer reimburse Ms. Masias for out-of-pocket and travel-related expenditures.
3. Ms. Masias will no longer be allowed to approve any expenditures from any budget, including providing authorization for expenditures as a supervisor or budget manager.
4. Ms. Masias will no longer be allowed to be an authorized signer for Colorado Judicial Department documents, including contracts, intent-to-apply for grant forms, grant applications, and grant awards.

The Department may take other actions as necessary and required by Department policies and rules. Attached are copies of the emails and supporting documents, including the Amazon invoice, as well as any additional records pertaining to Ms. Masias. Enclosed with the letter is a copy of a timeline with supporting background information detailing how the altered Amazon receipt came to light. Also enclosed are relevant fiscal rules informing the decisions related to Ms. Masias.

Please feel free to contact me at 720-625-5151 with any questions or concerns.

Sincerely,



Christopher T. Ryan
State Court Administrator

cc: Mitch McFarland, RubinBrown, LLP